Niagara Regional Housing

Notice

No: 11-10

APPLICABLE TO: **DATE: September 21, 2011**

X	**Municipal & Private Non Profit**
	Co-operatives
	Federal Non Profits
	OCHAP/CSHP
	Rent Supplement

x	**Mandatory**
	For Information

SUBJECT: 2012 Minimum Market Rent and Cost Factor for Municipal 1978 – (Section 95) Housing Providers

BACKGROUND

The Province has released the minimum market rent and cost factor for **2012**. An annual rent inflation factor is used to determine the Minimum Market Rent that is expected to be charged. The cost factor is a regional inflationary factor which is used in the calculation of operating subsidy in the budgets of municipal non-profit housing corporations.

Implementation:

Outlined below are the applicable figures:

2012 Rent Inflation Factor: 3.1% **2012 Cost Factor: 2.72%**

The rent inflation factor is inserted on line 441, page 3A of the NRH Subsidy Calculation Form for Municipal operating Budgets. When used in the budget, the factor is expressed as 1 plus a decimal number. The rent inflation factor is then multiplied by the Prior Year Column C charged in 2011 to determine the minimum market rent for 2012.

If a provider feels that it cannot charge market rents at this minimum level, an application may be made to NRH for an exemption when the 2012 budget is submitted. The application must include supporting evidence to clearly demonstrate the inability to charge the minimum market rent.

The cost factor is inserted in line 432 of the NRH Subsidy Calculation Form for Municipal operating budgets. When used in the budget form, the cost factor is expressed as 1 plus a decimal number.

If you have any questions or concerns regarding this notice, please contact your Housing Administrator at (905) 682-9201.

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Lora Beckwith, General Manager